AOD-210

# AGRICULTURAL OUTLOOK DIGEST

Approved by the Outlook and Situation Board, May 23, 1975

## Lower U.S. Farm Export Value Ahead

The first forecast of U.S. agricultural trade in fiscal year 1976 puts exports at around $18 billion, a fifth lower than the $22 billion expected for the current fiscal year. With farm product imports forecast at around $9 billion for next fiscal year, down from the $9.7 billion expected for fiscal 1975, the agricultural trade surplus could fall from $12 to $9 billion.

Early indications of bulk commodity sales show a possible increase of 10 percent in volume of our agricultural exports in fiscal 1976. But there could be sharp price declines.

Uncertainties surround the fiscal 1976 forecast:

*Much of the prediction is based on an assumption of improved crops around the world this year, and many of these crops have not yet been planted.

*Recent export unit values, reflecting price declines, were used, but stocks are low, and prices will continue to be extremely sensitive to changes in the world production outlook.

*The pace of economic recovery in many countries will affect how much they buy from us. The economic slump is already depressing the value of commodities and raw materials entering world trade. With the slump, sales abroad will be more difficult to maintain—not because of the shortage of foreign exchange, at least in the developed nations, but because of a lack of effective demand in terms of local currencies.

Effective demand could be stimulated by governments, but not without running the danger of more inflation. Inflation averaged about 16 percent in our major markets in 1974. Fortunately, the rate of inflation seems to be slowing down, and an upturn in economic activity could very well occur in the developed nations in the latter part of this year.

*The developing countries probably will face more severe financial problems in 1975 than in 1974, because prices for a substantial number of primary products have fallen sharply since mid-1974. Despite stockpiling and export quotas imposed by producers' associations for such items as coffee, copper, and natural rubber, prices have continued to fall as demand for industrial raw materials and foods has been hit by the worldwide recession.

### Markets

The value of our agricultural exports to Canada in fiscal 1976 may level off or decline slightly from the $1.25 billion expected this year. Corn sales to Canada are likely to be up in fiscal 1976, but soybean export volume will be down. Canada is considering an increase in import duties for many fruits and vegetables, and, if implemented, the increase would dim the otherwise good prospects for our exports of these items.

Western Europe's demand for feed grains should continue strong into fiscal 1976; and imports of U.S. soybeans should increase over this year's relatively low level—currently estimated at 270 million bushels. Volume of our farm exports to Western Europe in fiscal 1976 is expected to rise, but because of the anticipated decline in prices, value could drop from the $7.4 billion expected for FY 1975 to $6.3 billion.

The same pattern is expected for exports to Japan, with value perhaps falling from $3.4 billion to $2.8 billion.

After declining this fiscal year, the USSR's imports of U.S. farm products are forecast to increase to around $500 million in FY 1976. Grain exports are projected to increase substantially in volume, but the forecast for value—at $400 million—would reflect only a slight gain.

Fiscal 1976 prospects for exports to the People's Republic of China are not optimistic. No outstanding contracts remain for corn, wheat, and soybeans. Fiscal 1975 exports to

Continued on page 2.

CONTENTS: Exports Prospects, p. 1. . .Economy Reviving, p. 2. . .Consumers Buy More, p. 3. . .Food Prices, p. 4. . .Fertilizer Outlook, p. 5. . .More Milk, p. 6. . .Poultry Profits Returns, p. 7. . .Big Wheat Supply, p. 8.

EXPORTS, continued from page 1.

China are now expected to total a little over $300 million, a sharp drop from last year's $851 million.

OPEC nations are expected to continue to be strong markets in fiscal 1976. With increased wealth from petroleum revenues, these countries have become fantastic growth markets for U.S. agricultural exports. This year's value total is expected to be about $1.8 billion, an increase of about 70 percent over the FY 1974 total.

Latin America is expected to take about $1.8 billion worth of U.S. agricultural exports in fiscal 1976, considerably less than in fiscal 1975. Quantities of feed grains and rice are expected to be down sharply. Soybean and soybean products may go up in quantity but down in overall value. Mexico is a large Latin American market, taking over $800 million worth of our farm exports this fiscal year, primarily feed grains. Mexico's imports are expected to drop off considerably next year.

The outlook for fiscal 1976 exports to Africa indicates a volume of about the fiscal 1975 level, but a value decline to below $1 billion.

## Commodity Outlook

*Food and feed grains:* The fiscal 1976 outlook points to a rise in export volume but a drop in value (from $12 to $9½ billion) because of substantially lower prices.

*Oilseeds and products:* Exports are forecast at $3-3/4 billion for fiscal 1976, down from an expected $5.1 billion this fiscal year.

*Cotton:* The outlook for fiscal 1976 is slightly better ($1 billion) than expectations for fiscal 1975 (just under $1 billion).

*Livestock and products:* Not much improvement is anticipated for fiscal 1976, with exports forecast to remain near the $1½ billion level expected for this year.

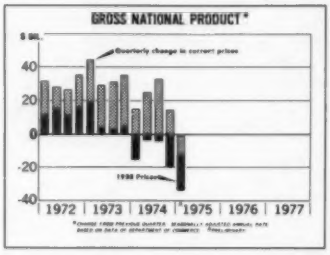
*Dairy and poultry products:* The forecast is for exports slightly below the fiscal 1974 level of $208 million, while fiscal 1975's value is expected to be $230 million.

# Farm Economy

## *Seeds of Economic Recovery Sown*

The early months of 1975 were dark ones indeed for the U.S. economy. Yet these months may have planted the seeds of gradual improvement.

First quarter statistics were harsh. Real gross national product dropped at more than an 11-percent annual rate. Housing reached a nadir and auto sales remained well below year-earlier levels. Corporate profits plummeted at a 23-percent annual rate.




Accompanying these breakdowns, investment spigots were tightened. Inventory, fixed plant and equipment, and housing all received smaller capital inflows.

Personally devastating to the greatest number was growing unemployment, which reached a nearly 9-percent annual rate by April.

To a large degree, all of these jolting changes emanated from the need of business to work off excessive inventories—inventories accumulated during 1974 but suddenly unneeded because of the corrosive effects of inflation on buying power and because of increasing unemployment.

## Uphill?

While such developments might point the way to a more severe recession, many analysts are thinking the opposite. Business inventories were pruned severely during the first quarter, by a record $18 billion. In the remaining months of 1975, new sales orders thus are more likely to be drawn from current output rather than stockpiles.

But what will invigorate the flow of new orders? A variety of factors, deriving from the economy and from the government, are present now which may strengthen buying power this year.

One of the most important is slowing inflation. The economic slowdown of the first quarter was responsible. The annual rate of inflation (as measured by the change in the GNP implicit price deflator) was 8.0 percent, a significant improvement over the 14.4-percent rate of the fourth quarter of 1974. The consumer price index also advanced more slowly, increasing 1.8 percent in the first quarter, compared with 2.9 percent in the fourth quarter of 1974. Wholesale prices were unchanged, with decreases in February and March offsetting an increase in January.

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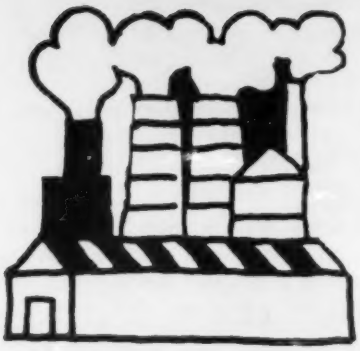


### Fiscal Moves

Along with reduced inventories and lessening inflation, economic recovery should benefit from several fiscal moves by government. Primary among these is the recently enacted Tax Reduction Act of 1975.

There is concern by some that an upturn in demand triggered by the cut would cause a new round of inflation, and that increased government borrowing would drive interest rates sharply higher, so that recovery would be choked off before it matures. However, since the economy is operating well below capacity, the increased demand expected to result from the tax cut should not cause a dramatic resurgence of inflation. Furthermore, business investment in plant and equipment will lag behind the recovery and remain low for the remainder of 1975. With business demand for credit weak, even a moderate rate of growth in the money supply should enable government credit demands to be satisfied without putting excessive upward pressure on interest rates.

Real consumer purchases should increase in response to the income tax rebate and lower withholding rates.

At the same time, the increase in the investment tax credit to 10 percent and the reduction in corporate profit taxes will maintain real business fixed investment near the current level.

However, with inventory liquidation continuing in the second and third quarters, an upturn in real GNP is unlikely until midsummer. Since employment will lag behind GNP, the unemployment rate is likely to remain near 9 percent for the remainder of 1975.

## Consumers May Spend More

Despite the recession in the early months of 1975, consumers increased spending both in actual dollars and 'real' dollars (discounted for inflationary price effects.)

Increased availability of consumer credit at lower interest rates, automobile rebates, a slower rate of inflation, and a readjustment following the unusually large $19-billion fourth-quarter decline in real personal consumption expenditures contributed to a first-quarter increase in consumption expenditures for durable goods.

The added dollars actually came partly at the expense of savings. Although real disposable incomes continued to drop in the first quarter, shoppers spent more and saved less.

The tax rebate and reduced withholding rates will have a positive effect on consumer income starting in the second quarter. Additional stimuli will be provided by continued easing of inflation and the availability of consumer credit at relatively stable interest rates. At the same time, consumers are likely to save a higher proportion of the rebate windfall than they would a permanent increase in disposable income, unemployment will remain high, and part of the increase in income resulting from the tax cut will be used to help buy houses.

Consequently, real consumption expenditures probably will increase steadily but undramatically in the remaining quarters of 1975.

### Food Prices Fell in April, But. .

With release of the Consumer Price Index data for April, the daily press blamed much of the rise in the total CPI that month on food prices. The facts tell a different story, on an actual basis. Even using seasonal adjustments that had been used prior to April, before they routinely got recalculated by formula, there was a different story to tell.

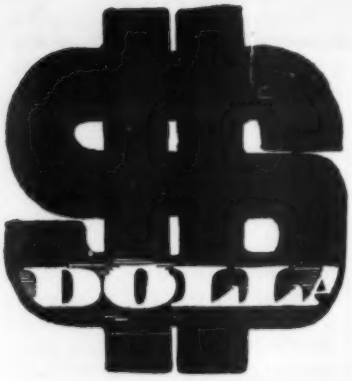
The "different" story was that food prices didn't go up in April, as charged. They went down while the rest of the CPI went up.

First consider the actual data, unadjusted. The total CPI rose 0.5 percent. The nonfood component rose more, by 0.6 percent. But the food component fell by 0.1 percent.

Now for the seasonally adjusted data: 0.6 percent for the total CPI, up 0.6 percent for the nonfood component, and up a lesser amount, 0.4 percent, for food.

Finally, take a close look at that seasonally adjusted increase of 0.4 percent for food. As usual about this time each year, a formula is used to recompute the monthly factors to be used in arriving at the seasonally adjusted figures. This time around, the statisticians had to crank in the sharp food price rises that had occurred in early 1973 and 1974. That changed the factors that went into computing the March and April 1975 adjustments.

Those adjustments are what caused the food prices to "rise" on a seasonally adjusted basis in April. Suppose for this year that the annual recomputation had been skipped, with the excuse that the 1973 and 1974 figures were considered abnormal. Then even the "old" seasonally adjusted food price would have gone down 0.1 percent, instead of rising at all.

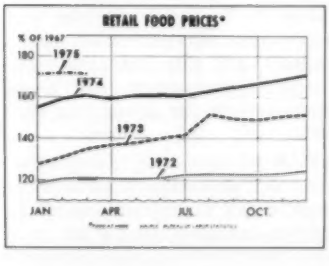



## Food Prices

During 1973 and again in 1974, retail food prices averaged more than 14 percent above a year earlier. Now it appears that prices are getting winded. Whether or not they start to sprint again later in 1975 depends on the impact of weather on agricultural production and prices, and on inflation in the general economy.

The increases slowed markedly during the first 2 months of 1975. Then, in March and April, prices registered a small decline. However, first quarter prices still averaged 2 percent above the fourth quarter of 1974 and a little over 9 percent above a year earlier.

Retail prices likely will advance further through midyear. But the increases are expected to be moderate compared with those in the past 2 years. Second quarter prices may average 1-2 percent above the first quarter, primarily reflecting rising prices for red meats, although poultry, fish, and dairy prices are also expected to increase moderately. Little change is anticipated for average prices of crop-related foods.




### Crop Conditions

As the year progresses, food prices will become more dependent upon 1975 crop conditions both in this country and abroad. Developments relating to general economic conditions, domestic and worldwide, will also have an impact. Marketing spreads, which now account for more than half of the retail food dollar, will be getting wider again in 1975, and will account for a significant part of the increase in food prices this year, no matter what happens to crop output.

A further moderate rise in food prices is likely this summer, even with favorable weather and prospects for large crops. The increase would be largely associated with animal-related foods.

However, crop-related food prices may begin to decline while the livestock industry gears up for increased output, setting the stage for some declines in average food prices later in the year.

Under these circumstances, food prices for all of 1975 may average 6-8 percent above a year earlier.

However, poor weather resulting in U.S. crop harvests as low as those of 1974, if accompanied by strengthened domestic and export demand conditions, likely would result in an acceleration in food price increases during the second half of the year. Smaller prospective feed supplies accompanied by rising prices might cause beef output to rise more as cattle move directly to slaughter from pastures. The larger supply of grass-fed beef probably would hold average retail food prices temporarily in check through the summer months. However, further declines in the output of grain-fed beef, pork, and poultry products, along with likely price increases for a broad range of crop-related foods, could bring sharp rises in the food price index later in the year.

Under these conditions, retail food prices for all of 1975 could average 8-10 percent above 1974, with a strong likelihood of further sharp increases in 1976.

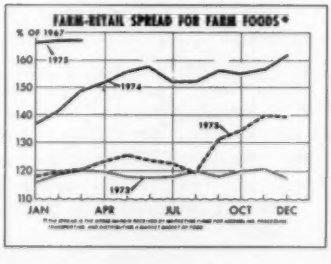
## Food Margins

The farm-retail price spread—which represents charges for assembling, processing, transporting, and distributing the farm food products in the retail market basket—widened by a fifth last year, the most ever. Now, with inflation quieting down, this margin may widen by half as much in 1975.

Farm-retail spreads widened sharply—by 5.9 percent—in the first quarter of 1975 as farmers' returns dropped. The spread between the retail cost and the farm value of the market basket averaged $1,104 (annual rate) in the first quarter of last year.

Spreads are expected to change little in the second quarter of 1975 as farm prices for meat animals strengthen. Higher meat prices may cause a further slight increase in the retail cost of the market basket, but lower prices are expected for bakery and other sugar-using products.

During the second half of 1975, farm-retail spreads may widen as rising wage rates, energy and material costs, and transportation charges continue to push up operating expenses of food marketing firms. For the year, spreads are expected to average around 10 percent wider than in 1974. Much of this year's expected increase has already occurred.



# Fertilizer Prices Ration Supply

During the rest of 1975, the price of fertilizer, rather than its availability, is likely to cause more problems for farmers.

With the present high fertilizer price levels and with sagging crop price expectations, supplies of nitrogen, phosphate, and potash reportedly are "adequate" in many sections of the country. However, if prices were at early 1973 levels, farmers would probably want to use more fertilizer than is now available.

Early, scattered reports from the field indicate that farmers generally are able to obtain as much fertilizer as last year. The usual difficulties with transporting fertilizer during the peak of the season are likely to cause shortages in some areas.

## Prices

Fertilizer prices during the rest of 1975 most likely will remain about where they are. If anything, they may tend to soften if planting is unduly delayed by unfavorable weather. In any event, prices may have reached their peak for this year and next.

Fertilizer prices were freed from price controls October 25, 1973. Within a matter of weeks, nitrogen fertilizer prices nearly doubled and phosphate prices were up by half. By April 15, 1974, prices of nitrogen materials, except ammonium nitrate, were double the levels of 1 year before (see tables below). By April 15, 1975, these same materials were up an additional third or more.

Phosphate prices, too, continued to advance after the original sharp surge in late 1973. For example, the prices paid by farmers for concentrated superphosphate rose from $87.50 on April 15, 1973, to $214 April 15, 1975.

Potash prices increased the least, but still managed to rise from $61.50 a ton in April 1973 to $102 this April. The farm delivered price of potash may increase even more as potash producers attempt to pass new Saskachtewan taxes on to the ultimate users.

## Nitrogen

The availability of nitrogen fertilizer this spring was an estimated 8 percent greater than last spring. Part of the increase comes from relatively minor additions to present ammonia production capacity. However, beginning in May and through the rest of 1975, new or rebuilt plants capable of producing a million tons of ammonia a year may come onstream. All told, ammonia output capacity may increase from 17.5 million tons at the start of 1975 to 18.8 million tons by the end of the year.

Historically, about 75 percent of all ammonia produced in the United States is used to make fertilizer.

Additional nitrogen fertilizers may become available because of the slowdown in industrial activity.

The balance of trade in fertilizers also has shifted. For the first time since 1965/66, the United States is importing more nitrogen than it is exporting.

## Phosphates

Phosphate fertilizers are more readily available than they have been for the past 2 years. Four new phosphate plants began production of phosphoric acid in January. These new plants will increase annual U.S. capacity to produce phosphates by a fourth. By the end of the year, a fifth plant is scheduled to begin operation, boosting capacity to make phosphoric acid to 8.7 million tons $P_2O_5$. In the year that ended June 30, 1974, just over 5 million tons of $P_2O_5$ were as fertilizer in the United States.

## Potash

The availability of potash in the United States depends largely upon imports from Canada. With both U.S. and Canadian producers operating at practical capacity, supplies are likely to be equal to domestic demand.

**Average prices paid by farmers per ton for selected fertilizers, United States, 1969-75**

| April 15 of year | Anhydrous ammonia | Superphosphate: 46 percent $P_2O_5$ | Superphosphate: 20 percent $P_2O_5$ | Superphosphate: 18-46-0 | Potash 60 percent $K_2O$ | Mixed fertilizer 6-24-24 |
|---|---|---|---|---|---|---|
| | *Dollars* | *Dollars* | *Dollars* | *Dollars* | *Dollars* | *Dollars* |
| 1969 | 75.60 | 74.00 | 43.80 | 94.10 | 47.80 | 73.20 |
| 1970 | 75.00 | 75.10 | 45.40 | 94.40 | 50.90 | 75.00 |
| 1971 | 79.30 | 76.60 | 47.80 | 95.70 | 58.20 | 80.30 |
| 1972 | 80.00 | 78.00 | 49.90 | 97.40 | 58.80 | 81.60 |
| 1973: April 15 | 87.60 | 87.50 | 53.70 | 109.00 | 61.50 | 88.00 |
| Sept. 15 | 92.50 | 94.10 | 56.00 | 119.00 | 63.60 | 90.80 |
| 1974: Apr. 15 | 183.00 | 150.00 | 91.40 | 181.00 | 81.30 | 139.00 |
| Sept. 15 | 229.00 | 188.00 | 104.00 | 228.00 | 91.00 | 164.00 |
| 1975: Apr. 15 | 265.00 | 214.00 | 118.00 | 263.00 | 102.00 | 186.00 |

Source: "Agricultural Prices," Pr 1 (4-75), Statis. Rptg. Serv., U.S. Dept. Agr., April 30, 1975, and earlier issues.

# Commodities

## Milk Production is Advancing

For all of 1975, U.S. milk production is likely to total about 1 billion pounds above 1974's 115.4 billion pounds. Under the most favorable conditions, output could go even higher. Milk production in April was virtually unchanged from a year ago after being above year-earlier levels for 10 successive months. A relatively small reduction in milk cow numbers was just barely offset by small gains in output per cow. These gains were limited by poor forage conditions in northern dairy areas and the cutback in grain and concentrate feeding.

Many factors will affect milk production during the rest of this year:

*Feed prices have dropped in recent months, causing some improvement in milk-feed price relationships. Some further improvement in milk-feed price ratios later this year could encourage dairy farmers to again increase grain and concentrate feeding to their milk cows.

*Herd replacements are in large supply, running almost 37 per 100 cows at the beginning of the year.

*Slaughter cow prices may strengthen further through the spring before dropping back during the second half of 1975. Prices of utility cows at Omaha advanced to the mid-$20's recently and may be at this level in early summer.

*However, large supplies in prospect for the second half could depress slaughter cow prices again. How much cow prices settle back later this year will depend largely on pasture conditions and prospects for the new grain crops.

*Farm milk prices have shown small seasonal drops in recent months and remain well below year-earlier levels. Manufacturing milk prices will likely hold close to support levels through summer, although some seasonal strength may occur later in 1975.

*High unemployment in coming months means limited off-farm employment opportunities for dairy farmers and dairy labor.

*The supply situation for most agricultural inputs is improving after a rather bleak year. Although the surge in input prices has abated somewhat, farmers will still face high costs for most inputs through 1975.

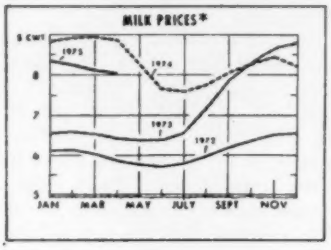
Output later this year will depend in large part on 1975 crop conditions and subsequent feed prices, on milk prices, on the cattle market, and on the nonfarm alternatives available to dairymen.

With favorable weather, current planting intentions point to rather substantial increases in 1975 feed grain and soybean crops and moderating feed prices later on this year. Under this situation, we could see a resumption of the upward trend in feeding rates and more normal gains in output per cow. These conditions could provide the potential for some strong increases in milk production this fall and winter.

On the other hand, short crops of feed grains and soybeans again in 1975 could mean even higher grain and concentrate prices to dairy farmers, which could forestall any significant recovery in production later this year. The impact of high feed prices would be felt primarily on feeding rates and consequently on milk output per cow, although we could also see some increase in herd culling.

### Farm Milk Prices Drop

Farm prices of all milk showed near-average seasonal drops from January to April, largely accounted for by lower fat content and declining proportions of total milk used in fluid products. Farmers received an average $8.05 per 100 pounds of milk in April, down 28 cents from January and 82 cents below a year earlier.




Manufacturing milk prices averaged $7.02 in April, virtually unchanged from January but 79 cents below a year earlier. Farm milk prices likely will show only small seasonal drops through the flush season. With wholesale dairy product prices expected to remain close to support levels, manufacturing milk prices will not likely show much improvement. Prices of milk eligible for fluid use may show some moderate seasonal declines. All milk prices may move above year-earlier levels by early summer as this year's seasonal declines will be less than the sharp drops of a year ago.

### Cash Receipts Down

First-quarter 1975 cash receipts from dairying were down about 7 percent from a year earlier. Lower milk prices more than offset slightly larger marketings. Gross dairy income may be closer to year-earlier levels during the second quarter as the decline in milk prices from a year ago diminishes and with further gains in milk marketings likely.

# Poultry

Profit, the prodigal son of the poultry business, is returning. Profit fled last year, driven out by the high price of grain and generally rising poultry production costs.

But economic conditions have been changing lately. Prospects of possible record 1975 feed grain crops currently have high grain prices on the retreat. If grain prices continue down and poultry prices up, profit will receive a warm homecoming.

## Production Costs

The cost of producing poultry and eggs has continued high in 1975. However, feed ingredient prices eased during the first quarter and prices received for eggs and broilers likely covered most production costs during these months. The decline in turkey prices in early 1975 was greater than the reduction in feed costs and the prices received for turkeys generally were less than production cost.

The cost of most production items has continued upward. The mid-April index of prices paid by producers for production items (including interest, taxes, and wage rates) was 187 percent of its 1967 base, up 2 percent from March and nearly 11 percent above a year earlier.

Poultry-feed price ratios may improve in coming months and exceed year-earlier levels. Feed prices likely will ease further as the 1975 crops develop and product prices probably will rise in coming months.

## Eggs

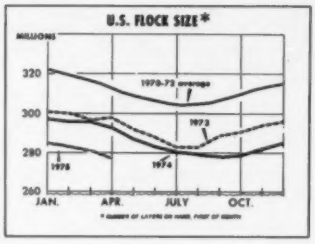
Egg production during the first 3 months of 1975 was down 4 percent from the year-earlier level, but April production was down 6 percent. Second and third quarter output may average around 5 percent below the same periods of 1974.

On May 1, there were 5 percent fewer layers in the Nation's egg laying flock, which was the smallest for this date since 1938.

About the same size replacement hatch as a year ago will be added to a substantially smaller laying flock this summer. This, combined with reduced culling of old flocks and increased force molting, likely will result in layer numbers trending upward after midyear.

Egg prices dropped sharply in late March as the usual post-Easter decline in demand developed. Prices improved during mid-April but declined about 4 cents in May.

Reduced egg supplies combined with higher prices for most high protein foods are expected to boost egg prices well above a year earlier in coming months. Continued weak demand for processed egg products will temper the increase in egg prices.




## Broilers

Broiler meat output gained during January-March but averaged 6 percent below a year earlier. Weekly reports indicate that April output may have been near year-earlier levels. But broiler chick placements for second quarter marketings are down about 5 percent from a year ago. Thus, with marketing weights continuing slightly heavier, spring output likely will be down around 4 percent.

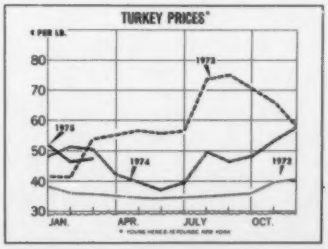
Broiler meat output will decline seasonally in late summer and fall but the decline will not be as large as last year. If prospects for the 1975 grain crops are favorable producers are expected to gradually expand output. It probably will exceed 1974 levels in the fall.

Broiler prices this year have been moderately above a year earlier largely because of reduced supplies of both broilers and pork. Wholesale broiler prices in 9 cities averaged about 43 cents a pound in mid-May, 3 cents above a month earlier and 8 cents above a year ago. Prices are likely to strengthen further in the summer but increased beef supplies will likely dampen the summer price rise for broilers.

## Turkeys

Turkey meat output in 1975 is running well below last year and will remain lower in coming months. Through March 1975, output was down 23 percent. The number of poults hatched in recent months has been well below the same months of 1974. However, the number of poults produced for marketing during September-December is expected to gain relative to 1974, when producers were cutting back. Marketings in late 1975 may about match the sharply reduced levels of a year earlier.

Turkey prices declined early this year despite the drop in output. Large cold storage stocks and large beef supplies contributed to lower turkey prices. However, prices have trended upward since mid-February. New York wholesale prices in late May were above the relatively low prices of a year ago. Turkey prices probably will remain strong in coming months and increase seasonally during the main marketing season (September-December). Prices will be boosted by reduced supplies of both turkeys and pork during this period.



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# More Wheat

Most signs point to another record wheat crop in 1975. The winter wheat crop was recently estimated at a record 1.62 billion bushels. Farmers' acreage intentions and yield projections for spring wheat indicate a total 1975 wheat crop at around 2.1 billion bushels, compared with last year's record 1.8 billion.

So despite the smallest carryin in over a quarter-century, wheat supplies will likely climb in 1975/76, possibly exceeding this season's by 15 percent.

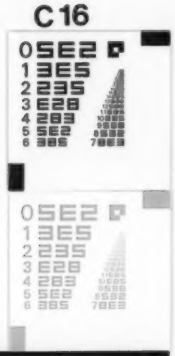
The stage is being set for a sharp expansion in wheat feeding. Wheat supplies will be large and wheat prices at harvest may be competitive with feed grains in some areas.

World demand for wheat is expected to hold up, and it is likely that in 1975/76 U.S. wheat exports will again top 1 billion bushels. Even though total U.S. wheat disappearance should continue quite strong in 1975/76, the expected magnitude of the 1975 harvest would assure some rebuilding of stocks during 1975/76. This likely would push wheat prices well below the $4.04 per bushel average of 1974/75.

## Slowing Disappearance

Usage of 1.4 billion bushels of wheat during the July-March period was the lowest since 1971/72. Both domestic use and exports trailed the pace set during the past 2 years.

One of the biggest surprises this year has been the modest decline in food use which became apparent from the reported January-March wheat grind. At least part of last year's heavy consumption may have been illusory, brought on by the shortage scare during early 1974. Some of the increased wheat flour production may have been stockpiled at several points in the distribution system, including households.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